



MEDIA RELEASE

STATE OF TENNESSEE
BUREAU OF TENNCARE

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TENNCARE RECRUITS NEW MANAGED CARE ORGANIZATIONS WITH FIRST-TIME COMPETITIVE BID

RFP INCLUDES GREATER FINANCIAL RISK FOR NEW MCOs

NASHVILLE, Tenn.— The TennCare Bureau released the Request For Proposal (RFP) to accept competitive bids from managed care organizations (MCOs) for the Middle Tennessee Region late Friday afternoon. This RFP is the first time TennCare has used the competitive bid process to recruit MCOs to the TennCare service delivery network.

“Using the competitive market to recruit experienced MCO plans will strengthen the quality of TennCare services for our enrollees,” said J.D. Hickey, Deputy Commissioner for the TennCare Bureau. “We hope to award at least two new contracts in our Middle Tennessee region and increase enrollee choice when it comes to their managed care plan.”

The new RFP includes:

- An integrated behavioral health model with the MCO managing health and mental health services for improved enrollee care coordination and efficiency.
- Opportunity for additional bid points at higher levels of financial risk. The lowest level of financial risk available to bidders is greater than the current level of financial risk assumed by TennCare MCOs.
- Additional disease management programs above and beyond the current disease management programs already required for existing MCOs.
- Detailed requirements that all children in the new MCOs will receive outreach and screening services to assure preventative health care delivery.
- Clear provider network requirements to give enrollees access to needed primary and specialty care
- An aggressive timeline for accreditation from NCQA and data reports that allow for an objective assessment of the quality of care.

“This RFP is building on what our current MCO contracts require. TennCare is working to increase financial incentives that will improve the quality of care for our enrollees and encourage MCOs to be a responsible partner in the financial management of the TennCare program,” said Hickey.

“Our agencies have worked collaboratively to assure that behavioral health services for all enrollees including services and protections for persons with SPMI and SED would be addressed in all phases of the design and production of the RFP,” said Commissioner Virginia Trotter Betts, Department of Mental Health and Developmental Disabilities. “This is an opportunity to work with quality vendors to improve the delivery of health and mental health care through enhanced service integration to TennCare enrollees in Middle Tennessee.”

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TennCare currently delivers health care and mental health services through 7 managed care organizations, 2 behavioral health organizations (BHOs) and a statewide administrative services organization (ASO).

Interested MCOs must submit an intent to propose by April 21, 2006 and completed proposals by 2:00 p.m. CDT May 19, 2006. The state expects to sign contracts by June 26, 2006 with the new MCOs serving enrollees beginning January 1, 2007. The RFP is available online at <http://www.tennessee.gov/tenncare/healthplans/RFI/TCMCORFI.htm>

TennCare is Tennessee's expanded Medicaid program, providing health insurance coverage to 1.2 million Tennesseans including 640,000 children. For more information about TennCare visit <http://www.tennessee.gov/tenncare>

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